

DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is entered into between the Town of Holly Ridge, North Carolina, a North Carolina municipal corporation located in Onslow County, NC (the "Town") and Holly Ridge Development Group, LLC ("Developer"), a North Carolina limited liability company, collectively referred to as the "Parties" or individually as a "Party." The effective date of this Agreement is the last date of execution of this Agreement by either of the Parties hereto (the "Effective Date").

ARTICLE 1. BACKGROUND AND PURPOSE

1.1 The Town of Holly Ridge is presently experiencing unprecedented growth. Between 2020 and 2024, the Town has seen a 6.5 percent population increase. The official U.S. Census Bureau numbers show a continued pattern of significant growth for the Town of Holly Ridge. The current total population count of 5,787 is expected to grow to over 8,000 people by the end of 2028. This growth necessitates the need for additional housing, additional public services, additional businesses, additional jobs, and additional public infrastructure within the Town.

1.2 The addition of the Camp Davis Industrial Park to the Town of Holly Ridge has brought additional jobs and citizens to the Town of Holly Ridge. As a result, there is a need for additional housing options in the Town.

1.3 Development projects often occur in multiple phases over several years requiring a long-term commitment of both public and private resources. Such developments often create community impacts and opportunities that are difficult to accommodate within traditional zoning processes. Such projects involve substantial commitments of private capital, which developers are usually unwilling to risk without sufficient assurances that development standards will remain stable through the extended period of the development. Article 10 of Chapter 160D of the North Carolina General Statutes grants cities and towns the authority to enter into development

agreements for economic development purposes ("Development Agreements") to better structure and manage development approvals for such developments.

1.4 Developer owns or controls two (2) parcels of land and a portion of two (2) parcels of land located on West-Ocean Road (Highway 50) in both Onslow County, North Carolina and Pender County, North Carolina ("Camp Davis Property"). The Camp Davis Property is described on Exhibit A attached hereto and incorporated herein. The Onslow County portion of this Camp Davis Property is further identified in the Onslow County Tax Records as Parcel Numbers 027857, 001971, and 011593. The Pender County portion of this Camp Davis Property is further identified in the Pender County Tax Records as Parcel Number 4227-56-5933-0000. Collectively, the Camp Davis Property is approximately one thousand two hundred twenty-six and sixty-two hundredths (1,226.62) acres.

1.5 Developer desires to develop the Property to include approximately two thousand seven hundred fifty (2,750) total residential units, with the total number of multifamily units not to exceed four hundred fifty (450) units and the total number of single-family units not to exceed two thousand three hundred (2,300) units, of which up to twenty percent (20%) may be townhomes. The total planned development will have an average density of approximately two and eighty-four hundredths (2.84) units per acre.

The Project will also include approximately sixty-four (64) acres of commercial, office, and institutional space, not to exceed ten percent (10%) of the gross acreage. This total contemplated development of approximately two thousand seven hundred fifty (2,750) residential units, together with the commercial, office, and institutional space, is referred to herein as the "Project" and is reflected on the PUD Plans attached hereto as Exhibit B and incorporated herein.

1.6 The Town will benefit from the development of the Project in the following ways:

- a. An increase in employment opportunities for Town residents and citizens.
- b. An increase in business prospects for the Town.
- c. The advancement of the Town's land use planning objectives and policies, securing quality growth, and the strengthening of the Town's tax base.
- d. An increase in available housing for the Town's growing population, including those working at the Camp Davis Industrial Park.
- e. An increase in availability of open space for use by Town residents.

1.7 Based on the current rates, schedules, and means of revenue collection and distribution available/applicable to the Town and other local and state agencies, which are subject to change during the timeframe associated with this agreement, the development of the Project will also yield the following benefits to the Town:

- a. An estimated increase to the Town's ad valorem property tax revenue from residential units of approximately \$1,540,000± per year and from commercial development of approximately \$512,050± per year, for a total of approximately \$2,052,050± per year upon full build-out;
- b. An estimated increase to the County's ad valorem property tax revenue from residential units of approximately \$2,860,000± per year and from commercial development of approximately \$950,950± per year, for a total of approximately \$3,810,950± per year upon full build-out; and
- c. An estimated increase to the total ad valorem property tax base of approximately \$440,000,000± from residential units and approximately \$146,300,000± from commercial development, for a total tax base increase of approximately \$586,300,000± upon full build-out.

1.8 Developer is willing to assume the majority of the risk of development in order to create the development at this location. The Town Council, having carefully considered the above-described benefits of the Project, desires to enter into an agreement with Developer.

1.9 The Parties consider this Agreement, as authorized under Article 10 of Chapter 160D of the North Carolina General Statutes, to be the best method for establishing the mutual obligations and covenants between them and intend, by virtue of entering into this Agreement, to comply with all the provisions of Article 10 of Chapter 160D of the North Carolina General Statutes.

ARTICLE 2. DEFINITIONS

2.1 General. Terms not defined below or elsewhere in this Agreement shall have the same meaning as found in standard dictionary definitions, informed by, and appropriate to the context of this Agreement.

2.2 "Agreement". This Development Agreement, its attachments, and exhibits, including any future modifications or major or minor amendments.

2.3 "Developer". Holly Ridge Development Group, LLC together with its successors and assigns, as well as its respective officers, directors, employees, and agents, as contextually appropriate.

2.4 "ONWASA". Onslow Water and Sewer Authority ("ONWASA"), a body politic and corporate organization existing pursuant to NCGS Chapter 130A, Article II, Part 2, together with its successors and assigns, as well as its elected officials, employees, agents, and independent contractors, as contextually appropriate.

2.5 "Ordinance". The Ordinance means the Town of Holly Ridge Code of Ordinances. References herein to Ordinance requirements are those requirements that exist on the Effective Date of the Agreement, provided however, that fees ("Fees") shall be subject to increases and/or decreases that may occur from time-to-time in accordance with the Town's fee schedules.

2.6 "Project". The development as described in this Agreement.

2.7 "Town". The Town of Holly Ridge, NC, together with its successors and assigns, as well as its elected officials, employees, agents, and independent contractors, as contextually appropriate.

ARTICLE 3. THE PROJECT

3.1 General Description. Developer proposes to develop two thousand seven hundred fifty (2,750) residential units and approximately sixty-four (64) acres of commercial, office, and institutional space on the Property described in Article 1 above. The Project area is as depicted on the PUD currently pending before the Town for consideration for the initial zoning for the Property (the "PUD Plans"). The PUD Plans are attached hereto at Exhibit B. The Town will establish initial zoning for the Property under the PUD zoning category, that is based on the PUD Plans, subject to minor changes to the same arising out of the Town's review of the PUD Plans, sufficient to support the uses, density, intensity and arrangement of uses contemplated on the PUD Plans attached hereto at Exhibit B. Said initial zoning as adopted by the Town Council of the Town shall be the subject of Developer's vested rights as described in Section 3.2 below for the Project and may be replaced by a revised PUD site development plan to be submitted by Developer, or their assigns, to the Town as the Project moves forward.

3.2 Vested Rights. Pursuant to N.C.G.S. § 160D-104, the Town acknowledges Developer's vested rights in the Property and the PUD Plans and in the initial zoning as adopted by the Town Council of the Town related to density of the development and contemplated hereunder after the approval of said PUD Plans and assignment of said Town Council adopted initial zoning.

3.3 Obligation and Precondition. This Agreement does not obligate Developer to construct the Project, but Developer's pursuit of construction of the Project is a precondition of the Town's performance of the obligations set forth in Section 6.2 below.

ARTICLE 4. ADOPTION AND DURATION

4.1 Public Hearing. The Town conducted a public hearing pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes on February 19, 2026, to consider the approval and execution of this Agreement. Pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes, the required notices of the public hearing were published in accordance with said statutes, that last of which was published at least ten days before the hearing was held. The Town Council approved this Agreement at the end of the public hearing.

4.2 Duration. The term of this Agreement shall commence on the Effective Date. This Agreement shall expire fifty (50) years from the Effective Date.

ARTICLE 5. DEVELOPER'S ACKNOWLEDGEMENTS AND OBLIGATIONS

5.1 General. Developer has petitioned the Town for the voluntary annexation of the entirety of the property within the Project into the Town. The Town shall consider Developer's voluntary annexation petition and request for initial zoning of the property within the Project. If approved for annexation and zoning, the terms of this Agreement shall apply as provided herein to all portions of the property so annexed. In accordance with the provisions of N.C. Gen. Stat. § 160A-312 and Section 6.2 contained herein, the Parties further acknowledge that the Town shall have no obligation to pay any sums or offer any public enterprise services to the Project until and unless the entirety of the subject property is annexed into the Town's corporate limits by an affirmative vote of the Town Council. If approved for annexation, the terms of this Agreement shall apply as provided herein to the annexed property. Obligations of the Developer not addressed in this Agreement shall be those obligations required of the Developer pursuant to the Town's Code of Ordinances, the N.C. State Building Code, the NCDOT Highway Manual, the Town's fee schedule, and other local and state, and federal codes and Ordinances relevant to the context and the Project.

5.2 Project. The Project to be constructed by Developer shall generally consist of the uses contemplated on the PUD Plans attached hereto at Exhibit B and any subsequent amendments thereto.

5.3 Design and Engineering. Developer shall, at its/their own expense, design and engineer all aspects of the construction of the Project as well as any improvements to be constructed as described herein.

5.4 Cost of Construction. With the exception of Town infrastructure contributions contemplated in Section 6.2.8, Developer shall bear one hundred percent (100%) of all construction costs of the Project.

5.5 Future Changes and Modifications. It is understood and agreed that a development of this type shall be developed over a period of years and in market conditions that cannot accurately be predicted or anticipated. In keeping with the underlying statutory goals that development agreements are allowed by law to provide flexibility for large-scale, multi-phased projects, and provided that the overall densities, do not increase, it shall not be considered a breach of the terms of this Agreement if the Developer seeks future changes to the PUD Plan or does not develop the total number of units described herein.

5.6 Infrastructure Improvements

5.6.1 Developer shall complete certain infrastructure improvements ("Infrastructure Improvements") that are required for the Project as will be reflected on the PUD Plans. All Infrastructure Improvements within the public right-of-way shall be designed and constructed in accordance with Town standards and regulations, subject to the provisions of this Agreement. Completion of the Infrastructure Improvements shall be defined as construction, installation, dedication, inspection, and acceptance by the Town of the Infrastructure Improvements in all material respects, more specifically the public roads, sidewalks, and storm drainage system in the right of way (other than any changes thereto agreed upon by the Parties by way of a written amendment to this Agreement).

5.6.2 Developer shall dedicate to ONWASA the water and sewer infrastructure improvements within the development that are installed by Developers as such improvements are inspected and approved by ONWASA for acceptance. Any such dedication shall be in accordance with ONWASA standards and regulations.

5.7 Continuous Development. Developer shall engage in continuous development of the Project for the Term of this Agreement until substantial completion of the Project as contemplated herein. "Continuous development" for purposes of this Section and this Agreement means engaging in any or all of the following to further the final completion of the Project as contemplated by the terms of this Agreement. Development activities may include: (a) applying for, obtaining, renewing, or revising permits, approvals, and entitlements; (b) performing design, engineering, pre-construction, and site work, including grading, excavation, and the movement of any amount of dirt; (c) procuring labor, materials, equipment, and utilities and conducting bidding and contracting; (d) pursuing financing and capital arrangements through applications, negotiations, diligence, and closings; and (e) engaging with governmental authorities and utilities to secure or maintain necessary approvals or services.

Developer's failure to maintain continuous development for longer than sixty (60) consecutive months shall constitute a Material Breach, subject to the provisions of Article 7 of this Agreement; provided, however, that any period during which Developer is prevented, hindered, or delayed from maintaining Continuous Development by reason of Force Majeure shall be excluded from the calculation of such sixty (60) consecutive months and shall not constitute a breach.

For purposes of this Agreement, "Force Majeure" means any event beyond Developer's reasonable control that prevents, hinders, or delays Continuous Development, including acts of God; extreme weather; fire or flood; epidemic or pandemic; war, terrorism, or civil unrest; labor or materials shortages; casualty; governmental actions, delays, moratoria, changes in Law, or permit/approval delays or denials; utility delays or unavailability; condemnation; or failures of transportation or communications. Force Majeure also includes material adverse economic or financial conditions affecting the Project or capital markets, including the unavailability or withdrawal of debt or equity financing on commercially reasonable terms, failure of lenders or investors to fund despite Developer's good-faith efforts, significant interest rate increases or market dislocation, lender insolvency or regulatory constraints on lending, and extraordinary cost escalations for labor or materials, in each case beyond Developer's reasonable control despite commercially reasonable mitigation efforts. Developer shall give written notice of Force Majeure and its expected duration within a reasonable time after becoming aware of it and shall use commercially reasonable efforts to resume Continuous Development as soon as reasonably practicable.

ARTICLE 6. TOWN'S OBLIGATIONS

6.1 Intentionally Deleted.

6.2 Development; Town Cooperation; Laws in Effect.

6.2.1 Town shall provide such cooperation and assistance as Developer may reasonably request from time to time for matters the Town normally provides to development projects with respect to obtaining any local, state, and federal required permits as are required for the Project.

6.2.2 The Town shall designate a dedicated staff member to serve as the primary point of contact for the Project. This individual shall be responsible for facilitating and expediting all communications, inquiries, permit applications, and approval processes related to the Project. The designated staff member shall also assist in coordinating with other Town departments and relevant agencies as necessary to ensure timely responses and the efficient progression of the Project. The Town agrees to maintain this designation for the duration of the Project or until substantial

completion, whichever occurs later, and shall promptly notify the Developer in writing of any change in the designated staff member.

6.2.3 Unless otherwise specifically and otherwise noted herein, the laws, resolutions, comprehensive plans, regulations, technical standards, policies, rules, and Ordinances of the Town, applicable to the Project are those in force as of the Effective Date. Accordingly, Developer and Developer's successors in interest shall, for the duration of this Agreement, have a vested right to develop the Project in accordance with the terms of this Agreement, the terms of the Ordinance, and any applicable laws, resolutions, comprehensive plans, regulations, technical standards, policies, rules, and ordinances relating to the subdivision, zoning, development, and uses of land within the Town's municipal corporate boundary as they exist on the Effective Date, during the entire term of this Agreement, including, but not necessarily limited to, the PUD Plans. Except as specifically referenced herein or otherwise required by law, the Town may not apply subsequently adopted Ordinances or development policies to the development of the Project during the term of this Agreement without the written consent of Developer and/or Developer's successors in interest. For the avoidance of doubt, any law, ordinances, resolutions, policies, rules, or other regulations developed and adopted by the Town after the Effective Date that do not relate, directly or indirectly, to the subdivision, zoning, development, and uses of land within the Town's municipal corporate boundary shall apply to Developer without restriction. Any such law, ordinance, resolution, policy, rule, or regulation that relates, in whole or in part, to the subdivision, zoning, development, or uses of land shall not apply to the Property, the Project, or Developer except as expressly provided in this Agreement. By way of illustration, and not by limitation, regulations subsequently adopted regarding noise, nuisance, or other matters of general applicability that do not regulate or impact the approved development of the Property shall apply to Developer and its successors and assigns to the fullest extent applicable to all other citizens within the Town. Approved major and minor modifications shall have no effect on Developer's vested rights established herein, except to the limited extent that the requested modification(s) incorporates laws or regulations adopted subsequent to the date of the Effective Date. To the extent that Developer's requested modification(s) incorporate laws or regulations adopted subsequent to the Effective Date, Developer shall become vested as to those laws and regulations as though they existed at the Effective Date. If Developer adopts or incorporates later-enacted laws, regulations, or technical standards that do not require modifications to this Agreement, then Developer shall become vested as to those laws, regulations, or technical standards as though they existed as of the Effective Date. Additionally, no future Town-initiated developer moratoria shall apply to the development of the Project without the written consent of Developer or Developer's successors in interest for the term of this Agreement.

6.2.4 Without limiting the foregoing sections 6.2.1 and 6.2.3 of this Agreement, the following shall apply to the development of the Property:

6.2.4.1 Construction Specifications. The following design and construction specifications and requirements shall apply:

- A. The single-family lots shall have minimum setbacks as follows: side yard – five (5) feet; rear yard – twenty (20) feet; and front yard – twenty-five (25) feet.
- B. Neither the Town of Holly Ridge Policy for Street Improvements and Maintenance nor the Ordinance provisions regarding minimum street improvement standards shall apply. Streets and roads shall be constructed to satisfy NCDOT standards for subdivision streets. All streets included in the Property that ultimately connect to public streets maintained by the Town or by the NCDOT, including via other dedicated streets and rights-of-way, shall be deemed to "connect" to public streets maintained by the Town or by the NCDOT. A cross section of the proposed streets and roads for the Project is attached hereto as Exhibit C.

6.2.4.2 Procedural Processes. The following procedural processes shall apply:

- A. The subdivision administrator shall approve the final plat upon conclusion that the same is reasonably similar to the approved preliminary plat. No review by Council or Planning Board shall be required for final plat approval.
- B. After recordation of final plat and issuance of addresses, Developer may obtain building permits for vertical construction (in addition to selling lots) after issuance of appropriate financial guarantees and approval of Performance Guarantee Agreements for infrastructure required to be installed by Developer. Notwithstanding the forgoing, building permits for certain improvements, including but not limited to model homes, sales offices, amenity centers, clubhouses, swimming pools, and other related facilities, may be applied for and obtained prior to the recordation of final plat.
- C. Within 60 days after: (i) the completion of each street or street section as depicted on Exhibit C, (ii) the completion of at least fifty seventy-five percent (75%) of the homes on that street or section (unless no homes are to be built thereon, in which case this requirement does not apply), (iii) the review and acceptance of a complete street dedication application, including all required warranties, as-built drawings, and other documents as may be reasonably required by the Town, and (iv) the correction of any deficiencies identified during the street dedication inspection, the Town shall assume and fund the maintenance of such street or street section as a public street, including routine maintenance, repair, and upkeep, notwithstanding that the Town has not yet accepted such street or street section for dedication as a public right-of-way. The Town's obligation to fund maintenance under this subsection shall automatically terminate upon

the Town's formal acceptance of the applicable street or street section for dedication as a public right-of-way, at which time maintenance responsibility shall be governed by the Town's generally applicable policies and ordinances.

D. Developer may choose at its discretion whichever communications utilities providers it sees fit.

E. Town shall be responsible for any and all necessary agreements with other municipalities to authorize annexation of this land into Town, and any and all obligations under said agreements.

6.2.4.3 In addition to the vested rights described above, the following shall apply with regard to the Developer's vested rights:

A. The Development is a phased project. Since Developer cannot predict market conditions, the Town agrees that so long as the nature, intensity, and density of use for the total Project do not change, the PUD Plans may be modified, including, but not limited, to relocate areas of uses within the Property, change or relocate housing types, and relocate the locations of internal roadways within the Property; provided, however, that the number of each type of residential home in the Project substantially complies with the PUD Plans attached as Exhibit B.

6.2.5 Town shall be responsible for all necessary agreements with other municipalities to authorize annexation of this land into Town, and all obligations under said agreements.

6.2.6 The existing Holly Ridge Fire and Rescue Station location at 109 Holly Street, Holly Ridge, North Carolina, shall have an Insurance Services Office ("ISO") standard of at least five (5).

6.2.7 The Town and Developer acknowledge their mutual intent to, at a future date to be mutually agreed upon, enter into an agreement under which the Developer would convey and the Town would accept a donation of not less than two-hundred and fifty acres (250) of wetlands area located generally in the center of the Project and spanning portions of both the Onslow County and Pender County parcels (the "Wetlands Area"). The parties agree that the precise legal description of the Wetlands Area, along with the terms and conditions of such conveyance, shall be determined and documented prior to any such conveyance.

6.2.8 Subject to applicable laws and regulations, the Town shall allow Developer to install directional and promotional signage for the Project "off-site" and the same shall satisfy the requirements for on-site signing as provided in the Ordinance. The Town further agrees to work in good faith with Developer to identify a mutually acceptable location for such signage and, to

the extent permitted by applicable laws, to reasonably assist Developer in obtaining any necessary Town approvals related thereto. Nothing included in this section shall require the Town to exercise its power of eminent domain to procure land on behalf of the Developer for "off-site" signage.

ARTICLE 7. PERIODIC REVIEW AND DEFAULT

7.1 Periodic Review. The Town Manager, or his/her designee, is authorized to conduct a periodic review of the status of the Project at approximately twelve (12) month intervals from the date this Agreement is approved by the Town Council (the "Periodic Review"). Upon such review(s), Developer shall demonstrate good faith compliance with the terms of this Agreement. Periodic Reviews will be conducted at a time determined by the Town Manager, or his/her designee. After conducting the Periodic Review, the Town Manager, or his/her designee, shall prepare an Annual Report to the Town detailing the findings of the Periodic Review. A copy of the Annual Report shall be provided to Developer. Notwithstanding the statutory requirement of annual compliance reviews, Developer shall provide evidence of compliance with this Agreement upon any reasonable request by the Town at any time.

7.1.1 Continued Performance. If the Periodic Review or any request for compliance with the terms of this Agreement reveals that Developer has failed to continue development within the Project for a period of sixty (60) months as required by Section 5.7, Developer shall be in Material Breach of this Agreement.

7.2 Material Breach. If, as a result of the Periodic Review, the Town discovers that Developer has committed a Material Breach of the terms or conditions of the Agreement, the Town shall notify Developer in writing and provide Developer a reasonable time in which to cure the breach.

7.3 Failure to Cure. If Developer fails to cure the Material Breach within the time given under 7.2 above, then the Town may unilaterally terminate the Agreement after providing notice as provided in the Ordinance and provided that the notice of termination or modification or finding of breach may be appealed to the Town Board of Adjustment. The rights of the Town to terminate or modify this Agreement, as provided in this paragraph, shall be suspended during the time Developer is either (a) appealing the finding of breach to the Board of Adjustment or, subsequently, to the applicable court, or (b) is making good faith and reasonable attempts to cure the alleged default. The Town may, however, exercise its police powers to promote and protect the health, safety, and welfare of the public during any such suspension of the Town's right to terminate or modify this Agreement.

7.4 Default. Only the failure of a party to comply with the Material Terms of this Agreement shall constitute default.

7.5 Remedies. Remedies for default shall be those remedies allowed or provided for pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes. Any recapture provided by N.C.G.S. § 158-7.1(h) cannot be triggered by this Agreement because Developer does not receive any Incentive Payments. Accordingly, there cannot be funds to recapture upon a Material Breach of this Agreement.

7.6 Cure. Performance by any Party within a reasonable time shall constitute cure of default. In no event shall a reasonable time be a period less than thirty (30) days.

7.7 Zoning and Other Requirements. Developer's failure to comply with any provision of the Town's zoning Ordinance, subject to the terms herein, shall not be treated as a default of this Agreement, but as a violation of a zoning Ordinance requirement.

ARTICLE 8. MISCELLANEOUS

8.1 Entire Agreement. This Agreement sets forth and incorporates by reference all of the agreements, conditions, and understandings between the Parties as to the matters reasonably considered or purported to be within the purview of this Agreement, and there are no promises, agreements, conditions, or understandings, oral or written, express or implied, pertaining to the matters addressed in this Agreement other than as set forth in this Agreement. Notwithstanding the foregoing, any subsequent agreements entered into between the Parties that are necessary to implement the terms of this Agreement shall not be superseded by this Agreement.

8.2 Construction. The Parties and their respective legal counsel have reviewed this Agreement. If terms or provisions are later disputed or determined to be ambiguous, the Parties shall look first to a construction which is harmonious with the whole document and secondly to the intent of the Parties to create a high-quality single-family residential and commercial development in order to determine the appropriate interpretation. Canons of construction related to the free use of property shall not apply to the interpretation of this Agreement.

8.3 Succession and Assignment. Developer may assign its rights and responsibilities of all, or any portion of, the parcels that comprise the Project to subsequent landowners. No assignment of a portion of a tract, or a portion of the Project, shall relieve Developer of its responsibilities with respect to the remaining portion of the parcel or Project. Whether or not an assignment occurs, all subsequent owners of any portion of the Project and any successor government shall be subject to the terms and provisions of this Agreement.

8.4 Governing Law and Venue. This Agreement shall be governed by the laws of the State of North Carolina. The Parties hereto agree that the Superior Court of Onslow County shall be the exclusive venue to adjudicate any claims arising out of or related to this Agreement.

8.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

8.6 Agreement to Cooperate. In the event of legal action instituted by a third party challenging the validity of any provision of this Agreement, the Parties agree to cooperate in defending against such action; provided, however, each Party retains the right to pursue its own independent legal defense.

8.7 Agreements to Run with the Land. This Agreement shall be recorded in the office of the Register of Deeds of both Pender County and Onslow County. The provisions in this Agreement shall run with the land herein described and identified on the attached Exhibit A and be binding upon and an obligation of Developer and its successors in ownership of the Project or any portion thereof. The benefits of this Agreement shall likewise inure to all successors in the ownership of the Project or any portion thereof.

8.8 Severability. If any term or provision in this Agreement shall be judicially determined to be void or of no effect, such determination shall not affect the validity of the remaining terms and provisions.

8.9 Authority. Each party represents that it has undertaken all actions necessary for corporate or public approval of this Agreement, and that the persons signing this Agreement have the authority to bind Developer or the Town.

8.10 Modification. The terms of this Agreement may be modified only by the mutual written consent of the Town and Developer, or their successors in interest. A Major Modification of any term of this Agreement shall follow the same procedures as required for the initial approval of this Agreement, which procedures shall include a public hearing as provided in N.C.G.S. § 158-7.1. A Minor Modification to this Agreement shall be recorded in the records of the Town and Developer but shall not require a public hearing unless required by state law. Minor revisions and mere technical revisions to the plans for the Project shall not require public hearings and review by the Planning Board or Town Council but may be approved administratively by the Town Manager, Planning Director, or other person designated by the Town Manager, or as otherwise provided by the Ordinance or this Agreement. Minor revisions shall include, but not be limited to, minor changes in the following: building footprint location, utility placement, roadway layout/location, parking configurations, and any change in the outer boundaries of the Project. Pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes, the Town may, after notice and public

hearing, adopt an ordinance amending this Agreement if newly adopted state or federal laws prevent or preclude compliance with this Agreement. The Town agrees that in such future circumstances that it shall, as permitted by law, take all appropriate measure to adopt modifications and amendments to this Agreement that are as close as possible to this original Agreement without violating newly enacted state or federal laws.

8.11 Termination. This Agreement may be terminated by mutual written consent of the Parties to the Agreement or by their successors in interest or as otherwise provided in this Agreement.

8.12 Notices. Any notice, demand, or communication which is required, or may be given to another Party in writing, shall be delivered or addressed to the other at the address below or to such other address as may be provided from time to time. Delivery shall be deemed effective on the date: (i) personally delivered; (ii) sent by certified or registered mail, return receipt requested, postage prepaid; (iii) sent by nationally recognized overnight courier service; or (iv) sent by email. The Parties shall make reasonable inquiry to determine whether the names of the persons listed in this Agreement should be substituted with the name of the listed person's successor. All notices, demands, or communications shall be addressed as follows:

To the Town: Heather Reynolds
Town Manager
212 N. Dyson Street
Holly Ridge, NC 28445
manager@hollyridgenc.org
910-329-7081 ext. 223

With copy to: Nathan Rhue
Community Development Director
212 N. Dyson Street
Holly Ridge, NC 28445
planner@hollyridgenc.org
910-329-7081 ext. 225

With copy to: Equitas Law Partners LLP
Attn: Corrie Faith Lee
6329 Oleander Drive, Suite 200
Wilmington, NC 28403

To Developer Michael Rokoski
Member Manager
Holly Ridge Development Group, LLC
400 Carl Street Suite 200

Wilmington, NC 28403
mjrokoski@gmail.com
910-315-6200

With copy to: Ward and Smith. P.A.
Attn: Sam Franck
127 Racine Drive
Suite 101
Wilmington, NC 28403

With copy to: Candice O. Alexander
Administrator
Holly Ridge Development Group, LLC
P.O. Box 3167
Wilmington, NC 28406
candi@sancohomes.com
910-523-1424

8.13 Relationship. The relationship between the Parties shall be limited to the obligations in this Agreement. No Party is the agent of the other nor is there a joint venture or partnership created by this Agreement for the development of the Project.

8.14 No Obligation to Future Developments. This Agreement arises from the Town's determination that development of the Project is desirable and in the best interests of the Town. The Town's approval of this Agreement does not establish a Town policy or precedent for future developments within or outside of the Town's jurisdictional and corporate boundaries.

8.15 E-Verify Certification. Developer attests that it complies with and shall continue to comply with, for the duration of this Agreement, Article 2 of Chapter 64 of the North Carolina General Statutes (commonly referred to as "E-Verify"), and further agrees that it will include a contract obligation that any subcontractors hired by Developer shall also comply with this Article.

8.16 Approval and Recordation. This Agreement shall be executed by both the Parties and recorded by the Town within fourteen (14) days of the Effective Date. Failure to record within fourteen (14) days shall not be deemed a material breach of this Agreement.

[SIGNATURES ON NEXT PAGES]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date opposite their signatures as set forth below.

APPROVED AS TO FORM:

Corrie Lee, Town Attorney

(Date)

TOWN OF HOLLY RIDGE, NC

By: _____
Pete Parnian, Mayor

ATTEST:

Town Clerk

(SEAL)

NORTH CAROLINA
ONSLOW COUNTY

I, the undersigned Notary Public of the County of _____ and State aforesaid, certify that CORRIE LEE personally came before me this day and acknowledged that she is Town Attorney of the TOWN OF HOLLY RIDGE, NC, and that by authority duly given and as an act of the municipal corporation, the foregoing instrument was signed in its name by PETE PARNIAN, its Mayor, sealed with its corporate seal, and attested by herself as its Town Clerk.

WITNESS my hand and notarial seal this _____ day of _____, 2026.

My Commission Expires:

Notary Public

(AFFIX STAMP OR SEAL)

Notary's Printed or Typed Name

HOLLY RIDGE DEVELOPMENT GROUP, LLC

By: _____
Signature

Michael J. Rokoski, Manager

STATE OF _____

COUNTY

I, the undersigned Notary Public of the County of _____ and State aforesaid, certify that Michael J. Rokoski personally came before me this day and acknowledged that he is the manager of HOLLY RIDGE DEVELOPMENT GROUP, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed.

WITNESS my hand and Notarial stamp or seal this _____ day of _____, 2026.

My Commission Expires:

Notary Public

(AFFIX STAMP OR SEAL)

Notary's Printed or Typed Name

Exhibit A

Camp Davis Property

The following tracts of real property in Onslow County, North Carolina:

TRACT 1

All of that tract containing 190.77 acres shown on a map of survey by Stuart Gooden, R.S. L-805 dated December 12, 1994 entitled "Property of McTeer Real Estate, Inc. to be conveyed to Wachovia Emerging Growth Fund" and recorded in Map Book 31, Page 180 of the Onslow County Registry. Slide H-168.

The above tract is a part of that tract containing 195.49 acres East of canal and shown as a part of Tract A-1 on a survey entitled "The Holly Ridge Camp Tract", dated June 11, 1993, by Stuart Gooden, R.S. L-805, and recorded in Map Book 30, Page 158 of the Onslow County Registry as Exception (XI) in the deed recorded in Book 1102, Page 429 where it was described as "A 1, 702-acre tract designated as Area 4 on a Map of Property Of International Paper Onslow Development Co. Tract purchased from Mead and Manucy and shown on attached "Exhibit A-Z" (such Exhibit appearing at Page 460). For a further reference see the map of the entire Onslow Development Company Tract recorded in Map Book 2, Page 80, of the Onslow County Registry.

LESS AND EXCEPT a conveyance from Regions Bank (successor in interest to Wachovia Bank of North Carolina, N.A., an Ancillary Trustee for Wachovia Bank of Georgia, N.A., as Trustee of the Wachovia Emerging Growth Timberland Fund). AS TRUSTEE OF THE EMERGING GROWTH TIMBERLAND FUND to TIMOTHY EDENS, July 26, 2007 recorded in Onslow County Register of Deeds, Book 2919, Page 117-120.

ALSO INCLUDING an appurtenant easement for access as described in that certain Right-of-Way and Roadway Easement Agreement between Regions Bank (successor in interest to Wachovia Bank of North Carolina, N.A. as Ancillary Trustee for Wachovia Bank of Georgia, N.A., as Trustee of the Wachovia Emerging Growth Timberland Fund), AS TRUSTEE OF THE EMERGING GROWTH TIMBERLAND FUND and Timothy Edens dated July 26, 2007.

Parcel ID: Onslow County 027857

Referred to as "Part Tract A-1, Holly Ridge Camp S/F 715 1, 5 IP Timberlands, Map Number 715 1, 8" in the deed recorded in Book 3524, Page 358.

TRACT 2

All of that tract containing 359.19 acres and shown as Tract A-2 on a survey entitled "The Holly Ridge Camp Tract", dated June 11, 1993, by Stuart Gooden, R.S. L-805, and recorded in Map Book 30, Page 158 of the Onslow County Registry.

Parcel ID: Onslow County 001971

Referred to as "Also containing a Tract of land described in that certain Onslow County Deed dated September 15, 1994, recorded in Deed Book 1204, Page 669:" in the deed recorded in Book 3524, Page 358.

TRACT 3

All of that tract containing 684.04 acres West of canal and shown as a part of Tract A-1 on a survey entitled "The Holly Ridge Camp Tract", dated June 11, 1993, by Stuart Gooden, R.S. L-805, and recorded in Map Book 30, Page 158 of the Onslow County Registry. This tract was reserved from the operation of that deed recorded in Book 1102, Page 396, Onslow County Registry, as Exception (XI) where it was described as "A 1,702-acre tract designated as Area 4 on a Map of Property Of International Paper Onslow Development Co. Tract purchased from Mead and Manucy and shown on attached "Exhibit A-Z". For a further reference see the map of the entire Onslow Development Company Tract recorded in Map Book 2, Page 80, of the Onslow County Registry.

LESS AND EXCEPT that area which was designated to be in Pender County as a result of the 2012 County Line adjustment recorded in Map Book 65, Pages 166, 166A, 166B, Onslow County Registry.

Parcel ID: Onslow County 011593

Referred to as "Tract No. 1 (Map No. 004) THE ONSLOW DEVELOPMENT COMPANY TRACT" in the deed recorded in Book 3524, Page 358.

The following tracts of real property in Pender County, North Carolina:

TRACT 4

Being an approximately 305.57 acre tract of real property in Pender County North Carolina, being part of Tract A-1 on a survey entitled "The Holly Ridge Camp Tract", dated June 11, 1993, by Stuart Gooden, R.S. L-805, and recorded in Map Book 30, Page 158 of the Onslow County Registry. This property was formerly of Onslow County but was moved to Pender County as a result of a County boundary line agreement, the plat of such agreement is recorded in Map Book 54 at Pages 69-71, Pender County Registry.

Parcel ID: Pender County 4227-56-5933-0000

Back Deed Reference: Book 4815, Page 1057, Pender County

Exhibit B

PUD Plans

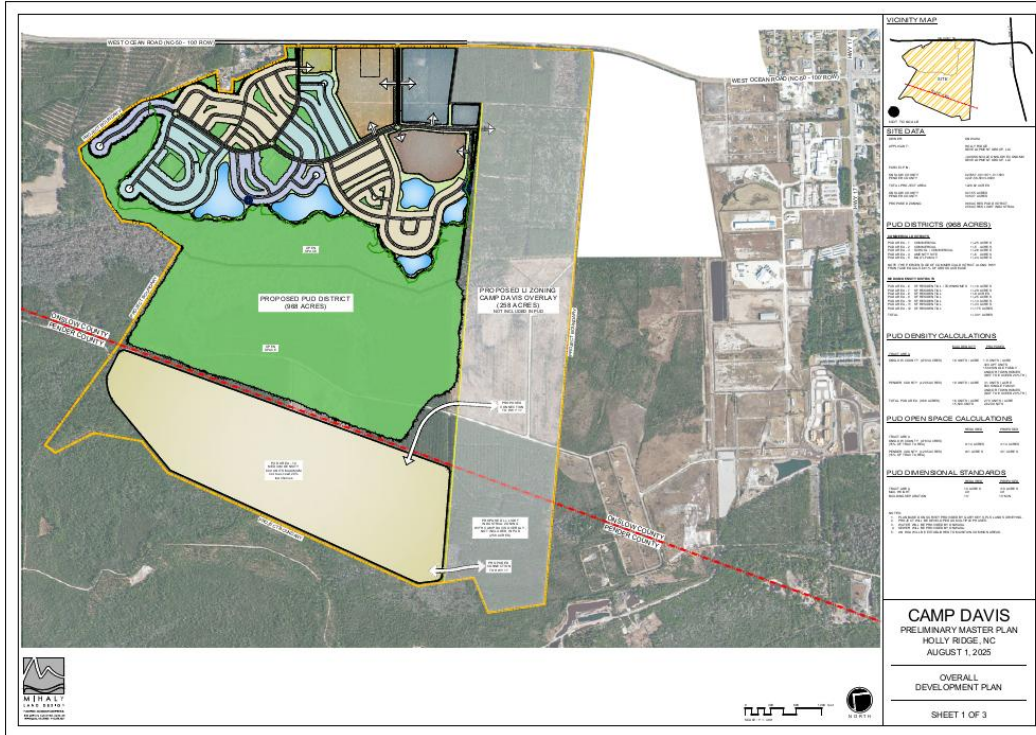


Exhibit C

Streets and Roads Cross Section

DRAFT